



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

House: APPROP DP 8-5-0-0

HB 2858: capital outlay; appropriations; 2022-2023

**Sponsor: Representative Cobb (with permission of committee on Rules), LD 5
Caucus & COW**

Overview

Makes capital appropriations to state agencies in FY 2023.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#), Constitution of Arizona, requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area."

Provisions

Building Renewal (Sec. 2)

1. Appropriates the following amounts to the specified agencies in FY 2023 maintenance and repair of state buildings:

Arizona Department of Administration (ADOA)

- a) \$37,594,200 from the State General Fund (GF);
- b) \$16,000,000 from the [Capital Outlay Stabilization Fund \(COSF\)](#):
 - i. Requires ADOA to allocate these monies to state agencies for necessary building renewal;
 - ii. Reduces the appropriation from COSF to the amount available in that fund if the monies in COSF are insufficient to fund the full appropriation;
 - iii. Allows the monies to be used for retrofitting facilities for space consolidation.

Arizona Department of Corrections (ADC)

- c) \$30,551,100 from the GF;
- d) \$5,864,300 from the [Department of Corrections Building Renewal Fund](#):
 - i. Restricts ADC from spending these monies on personal services or overhead expenses related to managing the funded projects;

Arizona Game and Fish Department

- e) \$1,459,600 from the [Game and Fish Fund](#);

Arizona State Lottery Commission

- f) \$176,400 from the [State Lottery Fund](#);

Arizona Department of Transportation (ADOT)

- g) \$18,139,400 from the [State Highway Fund](#); and
- h) \$467,800 from the [State Aviation Fund](#).

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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Individual Capital Projects (Sec. 3)

2. Appropriates the following sums of money to the indicated individual capital projects in FY 2023:

ADOA

- a) \$48,842,000 from the GF and \$5,000,000 from the Capitol Mall Consolidation Fund:
i. \$1,568,000 for building demolition;
ii. \$48,842,000 for West Adams building renovations;

ADC

- b) \$68,000,000 from the GF:
i. \$47,600,000 to replace evaporative cooling statewide with HVAC;
ii. \$20,400,000 for statewide door, lock and fire systems replacement;

Arizona State Schools for the Death and the Blind

- c) \$866,000 from the GF:
i. \$96,000 for classroom notification system replacement;
ii. \$420,000 for security upgrades;
iii. \$350,000 for food service equipment replacement;

Department of Emergency and Military Affairs

- d) \$2,951,100 from the GF:
i. \$1,800,000 for additional construction monies for the Tucson Readiness Center;
ii. \$1,151,100 for fire suppression projects;

Arizona Exposition and State Fair Board

- e) \$1,000,000 from the [Arizona Exposition and State Fair Fund](#) for capitol improvements;

AZGF

- f) \$450,00 from the Capital Improvement Fund:
i. \$150,000 for dam maintenance;
ii. \$300,000 for property maintenance;

Judiciary

- g) \$3,200,000 from the GF for air handler and sewer replacement;

Department of Juvenile Correction

- h) \$400,000 from the GF for water and waste chase closet replumbing;

Legislative Council

- i) \$5,700,000 from the GF for capital improvements:
i. Specifies that this appropriation is not subject to review by the Joint Committee on Capital Review (JCCR);

Department of Liquor Licenses and Control

- j) \$3,500,000 from the [Liquor Licenses Fund](#) for space reconfiguration;

Arizona State Parks Board (ASPB)

- k) \$3,289,600 from the [State Parks Revenue Fund](#):
i. \$2,742,800 for capital improvements;
ii. \$210,000 for the Dead Horse Ranch State Park Amphitheater;
iii. \$336,800 for Rockin' River Ranch State Park;
iv. Requires ASPB to promptly report to the JCCR and the Governor's Office of Strategic Planning and Budgeting if ASPB revises the plan for any project for which these monies are appropriated because the ASPB receives land and water conservation grant funding;

Arizona Pioneers' Home

- l) \$396,500 from the [Pioneers' Home State Charitable Earnings Land Fund](#) for capital improvements;

Department of Public Safety (DPS)

- m) \$10,766,400 from the GF:
 - i. \$9,750,000 to replace 25 remote housing units and purchase 5 new housing units;
 - ii. \$1,016,400 to purchase and construct new property for evidentiary vehicle storage;
 - iii. Specifies that the appropriation for DPS remote officer housing that is unexpended on June 30, 225 reverts to the fund it was appropriated from; and

ADOT

- n) \$19,416,400 from the [State Highway Fund](#):
 - i. \$9,309,300 to renovate 206 annex building;
 - ii. \$2,124,000 to relocate Tucson Signal Equipment Repair Shop;
 - iii. \$3,026,900 to replace vehicle fueling facilities in Tucson, St. David, Wilcox and Three Points;
 - iv. \$1,200,000 to replace deicer material storage barn in Superior;
 - v. \$2,985,000 to construct new maintenance facility in Wickenburg;
 - vi. \$371,200 to replace vehicle fueling facilities in Flagstaff, Holbrook and Kingman;
 - vii. \$400,000 to construct new liquid brine tanks in Globe, Show Low, Prescott Valley and Keams Canyon.

ADOA Capital Projects (Sec. 4, 5)

- 3. Appropriates the following amounts from the GF to ADOA to distribute as follows:
 - a) \$2,500,000 for the Dark Sky Discovery Center:
 - i. Requires ADOA to distribute the monies to a nonprofit organization that is designated as an international dark sky discovery center and that is focused on dark sky preservation in Arizona;
 - b) \$5,000,000 for the Northern Arizona Observatory:
 - i. Directs ADOA to distribute the monies to a nonprofit organization that operates an astronomy center and observatory that is open to the public in northern Arizona;
 - c) \$2,386,600 for homeless veterans housing:
 - i. States that ADOA must distribute the monies to a nonprofit organization in northern Arizona that partners with the United States Department of Veterans Affairs to provide affordable housing units to homeless and at-risk veterans on a historical military campus;
 - d) \$500,000 for the Lukachukai Veterans' Multipurpose Complex:
 - i. Requires ADOA to distribute the monies to the Navajo Nation for costs associated with planning, designing and constructing the complex;
 - e) \$1,000,000 for the Little Colorado River Visitor Center:
 - i. Directs ADOA to distribute the monies to Navajo County to construct the center;
 - f) \$4,000,000 for an environmental testing laboratory:
 - i. States that ADOA must distribute the monies to the Navajo Technical University to develop and construct an environmental testing laboratory on the university campus in Chinle, Arizona;
 - g) \$8,000,000 for the Dine College Student Center:
 - i. Requires ADOA to distribute the monies to the Dine College Board of Regents to construct a student center;
 - h) \$1,000,000 for the Teesto Multipurpose Community Center:
 - i. Directs ADOA to distribute the monies to the Navajo Nation for costs associated with site preparation for the Teesto Multipurpose Community Center;
 - i) \$3,000,000 for the Dilkon Center Improvements:

- i. States that ADOA must distribute the monies to the Navajo Nation for costs associated with improvements to the Dilkon Center;
 - j) \$2,000,000 for the Kayenta Judicial Complex:
 - i. Requires ADOA to distribute the monies to the Navajo Nation for costs associated with improvements to the Kayenta Judicial Complex.
- 4. Specifies that these appropriations are not subject to review by the JCCR.

Arizona Board of Regents (ABOR) (Sec. 7)

- 5. Appropriates \$12,000,000 from the GF in FY 2023 to ABOR to distribute to the University of Arizona for capital improvements to the Mining, Mineral and Natural Resources Educational Museum:
 - a) Specifies that monies from this appropriation that remain unexpended on June 30, 2024 revert back to the GF.

Highway Construction (Sec. 8)

- 6. Appropriates the following amounts from the [State Highway Fund](#) in FY 2023 to ADOT for the specified highway projects:
 - a) \$64,200,000 to design and construct additional vehicle lanes, separated by a lighted median, on Interstate (I) 10 between State Route (SR) 85 and Citrus Road and states that the Legislature intends that:
 - i. The city of Buckeye contribute \$3,000,000 to this project no more than 120 days after the effective date;
 - ii. The Maricopa County Association of Governments (MAG) collect and contribute at least \$10,000,000 from sources other than this state for the project; and
 - iii. ADOT use Federal Monies awarded for this project before spending these appropriated funds.
 - b) \$20,080,000 to improve Jackrabbit Trail between Thomas Road and McDowell Road and states the legislature intends that:
 - i. The city of Buckeye contribute \$5,020,000 to this project.
 - c) \$15,000,000 to acquire right of way to extend SR 24;
 - d) \$38,482,000 to rehabilitate pavement along US Route 60 between Tomahawk Road and Mile Post 208;
 - e) \$200,000 to study the construction of an emergency evacuation bridge in Lake Havasu City;
 - f) \$19,327,300 to rehabilitate pavement along US Route 66 between Ashfork and Seligman;
 - g) \$1,500,000 to construct a roundabout at the intersection of SR 69 and SR 169;
 - h) \$5,000,000 to study and design a traffic interchange on SR 74 at Lake Pleasant Parkway;
 - i) \$100,000 to assess intersection of SR 79 and Hunt Highway;
 - j) \$100,000 to assess intersection of SR 87 and Skousen Road;
 - k) \$3,000,000 to design a traffic interchange on SR 89 at SR 89A;
 - l) \$39,200,000 to rehabilitate pavement along SR 90 between Campus Drive and the US Border Patrol Station in Huachuca City;
 - m) \$22,152,000 to rehabilitate pavement along US Route 191 between mile post 163 and 173;
 - n) \$9,514,000 to design and construct a screen wall along Loop 101 between 51st Avenue and 59th Avenue;
 - o) \$16,330,000 to rehabilitate pavement along US Route 191 between Armory Road and East Stafford;
 - p) \$800,000 to design to improve SR 238 between SR 347 and Green Road;
 - q) \$6,141,800 to construct and improve former SR 279;
 - r) \$4,000,000 for design work for SR 303 improvements from I-17 to Lake Pleasant Parkway;

- s) \$19,000,000 for design work for the interchange at SR 303 and I-17;
 - t) \$19,000,000 to design to widen lanes along SR 347 between I-10 and the City of Maricopa;
 - u) \$100,000 to assess intersection on SR 389 at Arizona Avenue;
 - v) \$6,000,000 to distribute to the Northern Arizona Intergovernmental Transportation Authority for the capital costs of the Flagstaff Downtown Connection Center;
 - w) \$568,000 to install lighting on the Sentinel exit in Gila Bend;
 - x) \$15,000,000 to conduct a tier 2 study for the North-South Corridor in Pinal County;
 - y) \$14,000,000 to conduct a tier 2 study for the Sonoran Corridor in Pima County;
 - z) \$25,000,000 to conduct a tier 2 study for I-11 in Maricopa County; and
 - aa) \$7,250,000 to design and construct a screen wall along the east side of Loop 101 near 16th Street.
7. Requires ADOT to report to JLBC the projected cost and status of the projects within 30 days of the last day of each quarter.
 8. States these appropriates are not subject to JCCR review and exempts the appropriations from lapsing until the project has been either completed or abandoned or the appropriation stands for a full FY without an expenditure or encumbrance.

Tribal Highway Construction and Improvements (Sec. 9)

9. Appropriates the following amounts from the GF in FY 2023 to ADOT for the following projects:
 - a) \$1,000,000 for Ganado School Loop Road:
 - i. Requires ADOT to distribute the monies to Apache County for the construction, repairs and upgrades of the road.
 - b) \$5,000,000 for US Route 89:
 - i. Directs ADOT to use the monies to construct a traffic circle at the intersection of North Lake Powell Boulevard and US Route 89 in Page, Arizona and to install traffic control devices at the intersections of US Route 89 and the road to Horseshoe Bend Parking Lot;
 - c) N9402 Road:
 - i. States that ADOT must distribute monies to the Navajo Nation for the improvements to N9402 Road near Lupton and Houck.
 - d) N35:
 - i. Requires ADOT to distribute the monies to the Navajo Nation for the improvements to N35 road.

State Aviation Fund (SAF) (Sec. 10)

10. Appropriates \$600,000 from the [SAF](#) to ADOT in FY 2023 to distribute to the Prescott Regional Airport for the strategic flight education complex if the airport demonstrates to ADOT that it has a commitment for matching monies for the complex from sources other than this state:
 - a) Exempts this appropriation from lapsing.

State Match Advantage for Rural Transportation Fund (RTF)

11. Appropriates \$50,000,000 from the [State Highway Fund](#) in FY 2023 to the RTF:
 - a) Exempts this appropriation from lapsing.

State Highway Construction Projects (Sec. 12)

12. Appropriates the following amounts from the [State Highway Fund](#) in FY 2023 to ADOT for the outlined highway projects:
 - a) \$1,645,000 to repave SR 69 in Prescott Valley;
 - b) \$3,500,000 to improve US Route 95 near Yuma proving ground;
 - c) \$19,534,600 to repave SR 95 in Mohave County;

- d) \$8,750,000 to construct an overpass at Riggs Road and SR 347;
- e) \$2,625,000 for a final design plan, right-of-way and easements for an overpass at Riggs Road;
- f) \$1,464,100 for repairing SR 186 and State Business Route 10 in Willcox;
- g) \$3,710,000 to improve SR 90 from Moson Road to Campus Drive; and
- h) \$31,500,00 to rehabilitate pavement on road projects selected from [Laws 2021, Chapter 406, section 34](#).

13. Requires ADOT to submit a report review by the JCCR before transferring monies between the outlined projects.

14. Exempts the appropriations from lapsing until the project has been accomplished, abandoned or the appropriation stands for a full FY without an expenditure or encumbrance.

Loop 101 Slip Ramp (Sec. 13)

15. Appropriates \$25,000,000 from the GF in FY 2023 to ADOT for the Loop 101 Slip Ramp Access Project:

- a) States this appropriation is not subject to JCCR review.

State Highway Construction (Sec. 14)

16. Appropriates \$470,373,000 from the [State Highway Fund](#) to ADOT to:

- a) Plan and construct state highways;
- b) Acquire rights-of-way; and
- c) Provide for the cost of contracted field administration and field engineering on construction projects and debt service payments on bonds issued for highway construction.

17. Appropriates any excess balances and collections in the [State Highway Fund](#) to ADOT for the aforementioned purposes.

18. Requires ADOT to report the following to the Directors of JLBC and the Office of Strategic Planning and Budgeting by November 1, 2022:

- a) The actual prior year, estimated current year and upcoming budget year highway construction expenses from all fund sources in a specified format;
- b) Capital outlay information for FYs 2022-2024 in a specified format;
- c) ADOT's estimated outstanding debt principal balance at the end of FY 2024 and the estimated debt service payment amount for FYs 2024-2027;
- d) Specifies that the report shall include the following statewide construction bonds:
 - i. Arizona highway user revenue fund;
 - ii. Maricopa association of governments and Pima association of governments controlled access;
 - iii. Maricopa regional area road fund; and
 - iv. Grant anticipation notes.

19. Exempts the appropriation from JCCR review.

20. Exempts the appropriation from lapsing until the purpose for which the appropriation was made has been accomplished or abandoned, or the appropriation stands for a full FY without an expenditure or an encumbrance.

Airport Planning and Development (Sec. 15, 16)

21. Appropriates \$27,100,000 from the [State Aviation Fund](#) to ADOT to plan, construct, develop and improve state, county, city or town airports as determined by the State Transportation Board.

22. Appropriates any excess balances and collections in the [State Aviation Fund](#) to ADOT for the aforementioned purposes.

23. Requires ADOT to report to JLBC on the status of all aviation grant awards and distributions, which must be delineated by individual airport and FY, including future year commitments, by December 31, 2022.
24. Exempts the appropriation from JCCR review.
25. Exempts the appropriation from lapsing until the purpose for which the appropriation was made has been accomplished or abandoned, or the appropriation stands for a full fiscal year without an expenditure or an encumbrance.
26. Appropriates \$20,000,000 from the [State Aviation Fund](#) in FY 2023 to plan, construct, develop and improve county, city and town airports.
27. Exempts the appropriation from JCCR review.

ASPB Capital Projects FY 2023 (Sec. 6)

28. Appropriates the following amounts of monies from the [State Parks Revenues Fund](#) in FY 2023 for the following capital projects:
 - a) \$1,540,000 for Jerome fire suppression system;
 - b) \$2,000,000 for Southern Construction Services Relocation;
 - c) \$3,500,000 for Tonto Natural Bridge Historic Building Renovation;
 - d) \$2,008,500 for Tombstone courthouse renovation;
 - e) \$1,750,000 for Rockin' River Ranch renovation;
 - f) \$1,500,000 for Catalina main entrance bridge;
 - g) \$4,100,000 for statewide campground improvements;
 - h) \$2,233,333 for statewide sunshade structures;
 - i) \$1,339,000 for statewide water conservation; and
 - j) \$535,600 for a smartphone application.
29. Authorizes ASPB to use up to 10% of the monies appropriated to any of these specified projects to pay for the costs of another one of the specified projects and after review by JCCR ASPB may use more than 10%.
30. Requires the Arizona Strategic Enterprise Technology Office to submit an expenditure plan on behalf of ASPB to Joint Legislative Budget Committee (JLBC) for review before ASPB may spend any monies appropriated for the smartphone application.
31. Directs ASPB to report promptly to JCCR and the Governors Office of Strategic Planning and Budgeting if the ASPB revises the plan for any of the outlines projects because ASPB receives land and water conservation grant funding.

ASPB capital projects FY 2024 (Sec. 17)

32. Appropriates the following amounts of monies from the [State Parks Revenues Fund](#) in FY 2024 for the following capital projects:
 - a) \$5,813,000 for the Catalina main entrance bridge;
 - b) \$4,100,000 for statewide campground improvements;
 - c) \$2,233,333 for statewide sunshade structures;
 - d) \$1,339,000 for statewide water conservation;
 - e) \$750,000 for Yuma territorial prison renovation;
 - f) \$2,900,000 for Riordan mansion renovation; and
 - g) \$2,008,500 for Oracle renovation.
33. Authorizes ASPB to use up to 10% of the monies appropriated to any of these specified projects to pay for the costs of another one of the specified projects and after review by JCCR ASPB may use more than 10%.

34. Directs ASPB to report promptly to JCCR and the Governors Office of Strategic Planning and Budgeting if the ASPB revises the plan for any of the outlined projects because ASPB receives land and water conservation grant funding.

ASPB capital projects FY 2025 (Sec. 18)

35. Appropriates the following amounts of monies from the [State Parks Revenues Fund](#) in FY 2024 for the following capital projects:
- a) \$4,100,000 for statewide campground improvements;
 - b) \$2,233,333 for statewide sunshade structures;
 - c) \$1,339,000 for statewide water conservation;
 - d) \$5,945,000 for Yuma territorial prison renovation;
 - e) \$4,000,000 for Red Rock renovation; and
 - f) \$1,500,000 for San Rafael renovation.
36. Authorizes ASPB to use up to 10% of the monies appropriated to any of these specified projects to pay for the costs of another one of the specified projects and after review by JCCR ASPB may use more than 10%.
37. Directs ASPB to report promptly to JCCR and the Governors Office of Strategic Planning and Budgeting if the ASPB revises the plan for any of the outlines projects because ASPB receives land and water conservation grant funding.

Miscellaneous (Sec. 1, 19, 20)

38. Modifies [Laws 2022, Chapter 218](#) to change the fund the \$400,000,000 is appropriated from to widen I-10 from the GF to the [State Highway Fund](#).
39. Specifies that the \$16,000,000 appropriated to ADOA by [Laws 2020, Chapter 57, section 1](#) in FY 21 for building renewal at ADOT is exempt from lapsing.
40. States that the \$50,000,000 appropriated to ADOT by [Laws 2021, Chapter 406, section 35](#) in FY 2021 to widen I-10 between Phoenix and Casa Grande is exempt from lapsing.
41. Allows ADOA to spend up to 5% of the specified amounts appropriated to it excluding monies to be distributed for expenditures for project management of building renewal and capital projects.
42. Clarifies that all other monies appropriated in this act may not be spent for personal services or employee-related expenditures of state employees, excluding services provided as part of the inmate construction programs for correctional facilities.

☐ Prop 105 (45 votes)

☐ Prop 108 (40 votes)

☐ Emergency (40 votes)

☐ Fiscal Note